



OFFICE OF THE SECRETARY OF STATE

NEWS RELEASE

BILL BRADBURY

For Immediate Release:
April 11, 2006

Contact: Carla Corbin
Elections Division
(503) 986-1518

The Office of the Secretary of State received a certified ballot title from the Attorney General on April 10, 2006, for initiative petition #3, proposing a statutory amendment, for the General Election of November 4, 2008.

In addition, Secretary of State Bill Bradbury determined that the proposed initiative petition was in compliance with the procedural requirements established in the Oregon Constitution for initiative petitions.

The certified ballot title is as follows:

CREATES AN UNLIMITED DEDUCTION FOR FEDERAL INCOME TAXES ON INDIVIDUAL TAXPAYERS' OREGON INCOME-TAX RETURNS

RESULT OF "YES" VOTE: "Yes" vote creates an unlimited deduction for federal income taxes on Oregon income-tax returns filed by individual taxpayers; reduces revenue available for state expenditures.

RESULT OF "NO" VOTE: "No" vote retains current law, which allows limited deduction for federal income taxes on individual taxpayers' Oregon income-tax returns (limit generally is \$5500).

SUMMARY: Under current law, personal income taxpayers may deduct a limited amount of federal income taxes when calculating their Oregon taxable income (limit generally is \$5500; limit is adjusted yearly for cost-of-living starting in 2008). This measure creates an unlimited deduction for federal income taxes on individual taxpayers' Oregon returns beginning in 2010. Provides "no Oregon taxpayer shall be required to pay to the state, a local government, or other taxing district, an income tax of any kind on money paid to the federal government as federal income taxes." Deduction applies only to federal income taxes paid on income taxed in Oregon; does not apply to corporate excise/income taxes. Reduces revenue available for state expenditures; provides no replacement funding. Other provisions.

Chief Petitioner(s): Bill Sizemore, PO Box 343, Beavercreek, OR 97004.

Copies of the text of this initiative are available at Room 141 State Capitol, for \$.25. Written requests for copies with your remittance of \$1.00 prepaid, should be addressed to: Elections Division, Room 141 State Capitol, Salem, OR 97310-0722.

There now follows an appeal period of 10 business days. Any elector dissatisfied with the ballot title certified by the Attorney General, who also submitted in a timely manner written comments which addressed the specific legal standards a ballot title must meet, may petition the Supreme Court for a different title. The appeal period ends at 5:00 p.m. on April 24, 2006. The appeal procedures are outlined in ORS 250.085.

The required number of signatures for placement on the 2008 general election ballot is determined by the total votes cast for all candidates for governor at the 2006 general election. These signatures shall be filed in this office not later than July 3, 2008.

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DEPARTMENT OF JUSTICE
APPELLATE DIVISION

April 10, 2006

John Lindback
Director, Elections Division
Office of the Secretary of State
141 State Capitol
Salem, OR 97310

Re: Proposed Initiative Petition — Creates An Unlimited Deduction For Federal
Income Taxes On Individual Taxpayers' Oregon Income-Tax Returns
DOJ File #BT-03-06; Elections Division #3

Dear Mr. Lindback:

We have reviewed the two comments submitted on the draft ballot title for the above-referenced proposed measure. This letter summarizes the comments we received, our responses to those comments, and the reasons we declined to make the commenters' suggested changes. After our own further review, we did make one small change to the wording of the first sentence in the summary. This letter should be included in the record if the Oregon Supreme Court is asked to review this ballot title. ORAP 11.30(7).

Commenter Bill Sizemore

The ballot title's "yes" result statement and summary describe a major effect of this measure, which would be to reduce revenues available for state expenditures. Commenter Sizemore objects to inclusion of that language. As Sizemore correctly notes, however, the Oregon Supreme Court has approved similar language in other cases. See, e.g., *Novick v. Myers*, 333 Or 98, 37 P3d 156 (2001). Consequently, we decline to remove the language from this ballot title.

Commenters Larry Wolf and Chip Terhune

These commenters assert that the "yes" result statement and summary should say that the measure would reduce revenue available for "services" instead of reducing revenue available for "expenditures." We decline to change the wording as the

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commenters request. Use of the phrase "reduces revenue available for state expenditures" accurately and neutrally explains the proposed measure's fiscal effect.

Sincerely,

Erika L. Hadlock
Assistant Solicitor General

ELH:mlk/APP92090

Enclosure

c: Peter Shepherd, Deputy Attorney General
Don Arnold, General Counsel Division
Steve Wolf, General Counsel Division

Bill Sizemore
P.O. Box 343
Beavercreek, Oregon 97004

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1500 NE Irving Street, Suite 370
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BALLOT TITLE

**CREATES AN UNLIMITED DEDUCTION FOR FEDERAL INCOME
TAXES ON INDIVIDUAL TAXPAYERS' OREGON INCOME-TAX
RETURNS**

RESULT OF "YES" VOTE: "Yes" vote creates an unlimited deduction for federal income taxes on Oregon income-tax returns filed by individual taxpayers; reduces revenue available for state expenditures.

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